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November 5, 2010

Ms. Shirley Douglas
76 South Kennedy Road
McCool, MS 39108

Dear Mrs. Douglas:

This is in reference to our conversation by telephone a couple of weeks ago. On October 4, 2010, I received a call from you and an attorney, Phillip W. Thomas regarding a settlement that had not been sent to the Trustee's office as required. This was the first time I had knowledge that Ms. Vardaman had not received the funds. I informed Mr. Thomas that I had no knowledge that the funds had not been submitted to the Trustee's office by Richard B. Schwartz and/or Van Leonard. I also informed him that I would be contacting the Trustee to further investigate this matter.

I later spoke with Ms. Vardaman, the Chapter 13 Trustee, and was instructed to speak with her attorney the Honorable Selene Maddox. During my conversation with Ms. Maddox, she informed me that she would be filing a complaint and that I need not do anything at this time. My concern was not only the proceeds that were not tendered to the Trustee, but also a desire to request a setting aside of the previous Order of attorney fees for Mr. Schwartz and the disgorgement of attorney fees that he had received. Ms. Maddox indicated that her complaint would take care of that issue.

I later contacted you by telephone with this information. I also informed you that Mr. Thomas has not received permission from the Court to represent you in any legal proceedings. That I, as your bankruptcy attorney, will continue to monitor the case to protect your interest. Furthermore, since the Trustee's attorney has filed a complaint, it does not appear to be necessary that any other attorney become involved since a subsequent lawsuit would be redundant.

Since our conversation, I have received copies of proceedings filed by Mr. Thomas. Therefore, I will again state that as a bankruptcy debtor, your estate is under the jurisdiction of the Bankruptcy Court and that the Trustee is handling this matter. I am filing this correspondence with the Court and also sending a copy to Mr. Thomas.

If you have any questions, please let me know.

Sincerely,
Paula E. Drungole
Paula E. Drungole

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cc: Court File Case no: 09-13893
Hon. Terre M. Vardaman, Chapter 13 Trustee
Hon. Selene D. Maddox, Attorney for Chapter 13 Trustee
Hon. Phillip W. Thomas, P. A.

